

BACCHETTI & SILVA DAIRY

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5/11/06

A.G. Kawamura
Secretary of Agriculture
California Department of Agriculture
1220 N Street
Sacramento, CA 95814



Dear A.G.,

This letter is in regards to the upcoming June 1, 2006 Dairy Institute requested hearing.

The changes the Institute is proposing to Class 2,3,4a & 4b and dry whey formulas would greatly decrease producer prices.

As you know dairy producers in California are facing economic and regulatory pressures and there is no relief in sight.

California dairy producers understand processing plants have experienced increased energy and labor costs, so too have producers. As processing plants have experienced rising transportation costs, so too have producers. Never before has C.D.I. increased my hauling costs as frequently as they have in the past year.

Should you have any questions please feel free to contact me at the number above.

Sincerely,

Ann Bacchetti-Silva
Owner